

# **Exhibit 12**

1  
2 UNITED STATES DISTRICT COURT  
3 FOR THE SOUTHERN DISTRICT OF NEW YORK

4 In re: :  
5 : Master File No.  
6 Global Brokerage, Inc. : 1:17-cv-00916-RA  
7 F/k/a FXCM, Inc. :  
8 Securities Litigation :  
9 ----- :

10 CONFIDENTIAL

11 REMOTE VIDEO DEPOSITION OF:

12 DROR NIV

13 THURSDAY, FEBRUARY 11, 2021  
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24 REPORTED BY:

25 SILVIA P. WAGE, CCR, CRR, RPR

<p style="text-align: right;">Page 270</p> <p>1 CONFIDENTIAL - DROR NIV</p> <p>2 from this, not hurt by this.</p> <p>3 Q. When you say, "by this," do you mean</p> <p>4 the settlement in general or the withdrawal?</p> <p>5 A. By getting rid of the US entity. By</p> <p>6 getting rid of the US entity. Obviously, we had</p> <p>7 to -- the NFA did not allow us to sell the</p> <p>8 entity. They only allowed us to sell the</p> <p>9 accounts. So we had to let go all of the people</p> <p>10 who worked in the US and that was a few hundred</p> <p>11 people. And we, you know, that was, you know --</p> <p>12 so, I mean, from a perspective of -- I mean, we</p> <p>13 had so much extra cost in the US. We were losing</p> <p>14 money in the US.</p> <p>15 So the net benefit to the firm, you</p> <p>16 know, we -- the firm benefitted from closing the</p> <p>17 US, you know, business from a net income --</p> <p>18 sorry, not from a net benefit. Obviously, from,</p> <p>19 you know, amount of customers, we had less</p> <p>20 customers.</p> <p>21 Q. Okay. That's all for that document.</p> <p>22 I'm introducing Exhibit 63. So let</p> <p>23 me know when you can see that.</p> <p>24 (Deposition Exhibit 63, FXCM Inc.</p> <p>25 Minutes of the Board of Directors Meeting</p>	<p style="text-align: right;">Page 272</p> <p>1 CONFIDENTIAL - DROR NIV</p> <p>2 Q. And it reads, "Mr. Niv noted the</p> <p>3 biggest issue currently facing the business was</p> <p>4 that several of the company's liquidity providers</p> <p>5 that terminated the relationships with the</p> <p>6 company and others were in the process of</p> <p>7 reviewing the relationship."</p> <p>8 Do you recall about how many</p> <p>9 liquidity providers terminated the relationships</p> <p>10 with FXCM in February 2017?</p> <p>11 A. I don't recall the exact number but</p> <p>12 maybe three or four.</p> <p>13 Q. Do you recall what proportion of</p> <p>14 FXCM's overall trading those liquidity providers</p> <p>15 who left accounted for at the time?</p> <p>16 A. I do not, specifically. But they're</p> <p>17 all interchangeable. So, again, to give</p> <p>18 perspective, after 2015, because of the SNB issue</p> <p>19 and because of subsequently we had to sell a lot</p> <p>20 of our -- the subsidiaries of the business to pay</p> <p>21 the debt off to Leucadia, the -- you know, the</p> <p>22 business shrank a lot.</p> <p>23 So we had a lot less trading volume</p> <p>24 than we did prior to 2015. And we, you know, had</p> <p>25 ample liquidity providers for this, you know, and</p>
<p style="text-align: right;">Page 271</p> <p>1 CONFIDENTIAL - DROR NIV</p> <p>2 February 16, 2017 New York, York</p> <p>3 EY-GBI-WP-00003936 &amp; EY-GBI-WP-00003937 marked</p> <p>4 Confidential, was marked for identification.)</p> <p>5 A. Okay. I see it.</p> <p>6 Q. Okay. And take a minute to review.</p> <p>7 MR. BAKER: While you do, I'll note,</p> <p>8 for the record, Exhibit 63 is EY-GBI-WP- 3936.</p> <p>9 Q. Mr. Niv, let me know when you're</p> <p>10 ready.</p> <p>11 A. I'm ready.</p> <p>12 Q. Okay. Is this the minutes of an FXCM</p> <p>13 Board meeting from February 16, 2017?</p> <p>14 A. Yes.</p> <p>15 Q. And do you remember this meeting?</p> <p>16 A. Oh, yeah.</p> <p>17 Q. So you do m remember this meeting as</p> <p>18 opposed to the other ones we looked at?</p> <p>19 A. Yes. This is the meeting where I</p> <p>20 resigned.</p> <p>21 Q. So I'm just going to focus you on a</p> <p>22 particular part here. This is on the first page,</p> <p>23 the second paragraph from the bottom, starting</p> <p>24 with, "Mr. Niv noted."</p> <p>25 A. Yeah.</p>	<p style="text-align: right;">Page 273</p> <p>1 CONFIDENTIAL - DROR NIV</p> <p>2 because this is a commoditized, you know,</p> <p>3 relationship, losing a few liquidity providers</p> <p>4 does not impact the prices that we get because</p> <p>5 you have plenty of others. Now, we would be much</p> <p>6 more problematic had we had a much bigger</p> <p>7 business and we needed more -- more depth to the</p> <p>8 prices but we did not.</p> <p>9 Q. And so, when -- in the notes it says,</p> <p>10 you noted the biggest issue currently facing the</p> <p>11 business with these liquidity providers leaving.</p> <p>12 In what way did you see this as the</p> <p>13 "biggest issue" facing the business at this time?</p> <p>14 A. The "biggest issue" for us was that,</p> <p>15 you know, banks are like sheep, that they act in</p> <p>16 a herd. If they see, you know, compliance</p> <p>17 department of Bank A sees Bank B pulling out and</p> <p>18 they don't pull out, they'll see it as, you</p> <p>19 know -- if something happens then, you know, they</p> <p>20 will be told why did you -- the other guy saw</p> <p>21 this disaster coming, why didn't you, you know.</p> <p>22 And so, you know, we were worried</p> <p>23 that a lot of people would pull. Most</p> <p>24 importantly, we were worried that our prime</p> <p>25 broker Citibank would pull, right, because that</p>